

1.0 Department of Workforce Services

Summary

The 1996 Legislature passed House Bill 375, “The Department of Workforce Services,” in order to combine and integrate all job placement, job training, and welfare (supportive services) functions in the State of Utah. This integration effort assumed that states would be receiving block grant funding for the welfare programs from the federal government, affording Utah opportunities for increased flexibility and effectiveness in serving clients. The 1997 Legislature passed Senate Bill 166 finalizing the creation of the Department and authorizing an official start up date of July 1, 1997. Some of this integration has taken place and much is still in process. The Department has begun the physical reorganization and is now operating 54 employment centers, with a long-term goal to reduce to 48 centers. Many budgetary and actual program integration actions are yet to be implemented.

Utah has created a public/private partnership to accomplish the goals of welfare reform. Administrative systems and regional operations have been put into place. Some remodeling and physical transfers of personnel and programs are forthcoming.

Maintenance of Effort Savings

The Department has a Maintenance of Effort requirement to keep a specific level of General Fund in the program budgets. Any reduction below the specified amount could result in a total loss of federal funds. Utah has already realized a number of savings due to increased client employment, reduced welfare caseload, and administrative consolidations. Because federal employment requirements have been met, the agency had its General Fund “Maintenance of Effort” requirement amount reduced.

Department Mission Statement

“The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive, employment-related and supportive services responsive to the needs of employers, job seekers, and the community.”

Financial Summary

	FY 1999	FY 2000	
Program	Estimated	Analyst	Difference
Administrative Services	\$28,969,300	\$28,812,300	(\$157,000)
Employment Dev. Division	4,418,500	4,129,900	(288,600)
Workforce Information & Payment Services	14,949,300	16,372,900	1,423,600
Regional Operations	67,309,800	66,059,700	(1,250,100)
Temporary Assistance	53,035,200	55,778,400	2,743,200
Food Stamp Cash Out	22,165,000	22,608,300	443,300
Food Stamp Program	53,000,000	53,000,000	0
Refugee Relocation	909,500	973,000	63,500
General Assistance	3,448,200	3,448,200	0
Unemployment Insurance Benefits	81,000,000	81,000,000	0
Child Care	38,205,700	38,205,700	0
JTPA Client Services	8,123,000	8,123,000	0
Building Blocks	0	3,300,000	3,300,000
Total	\$375,533,500	\$381,811,400	\$6,277,900
Funding			
General Fund	\$48,226,900	\$50,373,100	\$2,146,200
Federal Funds	320,329,700	324,623,300	4,293,600
Dedicated Credits	2,776,300	2,776,300	0
Transfers	4,038,700	4,038,700	0
Beginning Nonlapsing	161,900	0	(161,900)
Total	\$375,533,500	\$381,811,400	\$6,277,900
Standard FTE	1,819.90	1,819.40	(0.50)
Expansion FTE	0.00	0.00	0.00

2.0 Budget Highlights: Department of Workforce Services

2.1 Basic Budget

The Department of Workforce Services budget is recommended as a single line item to give the Department the flexibility to adjust programs, organizational structure and budgets. They are still adapting to the consolidation of programs, people and facilities. This line item is also recommended to have nonlapsing fund status.

The base budget recommendation has reduced General Fund due to Internal Service Fund savings, specifically in the area of Information Technology. Three General Fund building blocks are recommended by the Analyst. These are listed separately.

2.2 Recording of Food Stamp and Unemployment Insurance Funding

The State has not been recording the flow of federal funds through the entitlement programs for Food Stamps and Unemployment Insurance. This totals over \$130,000,000. There are no matching State fund requirements. These programs do have a significant impact on administrative expenses and work requirements. The Analyst included these programs and the funding levels in this year's budget recommendations.

2.3 Food Stamp Employment Service Funding

The federal food stamp program has two significant parts. The main program is an entitlement program which is 100 percent federally funded. The Analyst is listing this separately to give the Committee an idea of workload and volume. The Food Stamp Employment Service / Fraud Program requires a State match on a one-for-one basis. This program enables the State to provide employment services to qualifying food stamp recipients that may be seeking employment or working. The Analyst recommends an ongoing increase of \$1,000,000 General Fund which will be matched with \$1,000,000 Federal Funds.

Food Stamp Employment Service		FY 2000
Ongoing Funding		Analyst
General Fund		\$1,000,000
Federal Funds		1,000,000
Total		\$2,000,000
Expenditures		
Current Expense		\$2,000,000
Total		\$2,000,000

2.4 General Assistance Funding

The General Assistance Program is a fully State funded program for individuals or families without children. Many receive support through this program until they are processed for other programs such as Social Security. The caseload in this category has been increasing. The Analyst recommendation is for \$900,000 General Fund.

General Assistance Caseload	FY 2000
Ongoing Funding	Analyst
General Fund	\$900,000
Expenditures	
Other/Pass Through	\$900,000
Total	\$900,000

2.5 Wagner-Peyser Federal Funding Reductions

Utah no longer qualifies as a “small state” according to federal guidelines. This has resulted in a reduction in the funding formula for the Wagner Peyser Grant. This program provides funding for the universal access to employment services offered in Utah’s one-stop employment centers. This is the key program for employment development and a major step toward self sufficiency. Workload tracking indicates that this is one of the most used and time consuming activity within the Department. However, funding from the federal government has been significantly reduced. The Analyst recommends replacing this reduction with \$400,000 ongoing General Fund.

Wagner Peyser	FY 2000
Ongoing Funding	Analyst
General Fund	\$400,000
Expenditures	
Other/Pass Through	\$400,000
Total	\$400,000

2.6 Child Care Funding

A major barrier to employment is the care of children. Single parents are especially challenged to assure good quality care for their children at an affordable price. The State and federal government provide assistance to low and moderate income families for this care. Case load increases and escalating costs have been offset with small State increases, maintenance of effort savings and transfers of funds from TANF. TANF is authorized to be used for child care. Additional child care block grant federal funds are available on approximately a 2.8 to 1 match rate. A General Fund appropriation of \$1,500,000 would enable the Department to maximize the federal match to meet current child care needs without using TANF funds. Any additional amount of State appropriation would draw additional federal funding. This would leave more TANF in the “rainy day” fund. The Committee should consider the allocation of funding and the needs of all programs involved.

**2.7 Transfers from
TANF to Social
Services Block Grant**

The federal government reduced funding to the Social Services Block Grant (SSBG) with an added provision that TANF funds be used to make up the difference. The cut to the SSBG is approximately \$2.9 million. The Human Services Appropriation Subcommittee is considering a transfer of \$5,098,600 to offset reductions in the Social Service Block Grant and to replace General Fund for other uses. This will have a significant impact on the “rainy day” fund established with TANF money.

2.8 Intent Language

The Analyst recommends three sets of intent language.

It is the intent of the Legislature that the Department of Workforce Services fund the Public Employment Service System as established in Section 35A-3-115 in the following order: (1) from applicable federal appropriations; and (2) from applicable state appropriations; and (3) from a one-time appropriation of up to \$2,500,000 from the Special Administrative Expense Fund as established in Section 35A-4-506.

The first intent language would provide additional funding for employment services. Funds in the Special Administrative Expense Fund are received from penalties and interest paid by employers. The Fund has a balance of over \$4,000,000 at the present time.

It is the intent of the Legislature that the amount of \$122,699.40 distributed to the Unemployment Insurance Trust Fund as a Reed Act Distribution be allocated to the Public Employment Service System as established in Section 35A-3-115 and be obligated within two years from the date of appropriation by the Legislature.

This item is a distribution to the states of federal funds. The intent will authorize the Department to add this to employment services activities. This is the first time in about 40 years this distribution has been made. The last distribution was made in 1958.

It is the intent of the Legislature that \$159,379 allocated to the Department of Workforce Services as carry-forward funds for dislocated workers be spent in the following priority order: 1) job training activities related to defense conversion; 2) job training activities for dislocated workers in industries adversely affected by defense cutbacks; and 3) job training activities for dislocated workers in other non-defense related industries.

Funds were appropriated for job training activities for dislocated defense workers four years ago. This balance has been carried over without use. The intent language will give the Department the authority to use the funds.

3.0 Program Overview - Department of Workforce Services

A Short Department History

The new department was officially created on July 1, 1997. The departments, agencies, and programs combined to create the new department are:

- Department of Employment Security which oversees the Unemployment Insurance, Employment Services, and Labor Market Information;
- Office of Family Support which administers public assistance programs such as Food Stamps, Family Employment Program and subsidized Child Care;
- Office of Job Training which coordinates all job training programs including the Job Training Partnership Act and Single Head of Household Job Training;
- Office of Child Care which works with employers to ensure quality child care to those who are employed; and
- Turning Point which serves displaced homemakers by providing educational opportunities and other employment related services.

Organizational Development

The Department is organized into a variety of administrative programs to service the variety of programs offered through the local and regional centers. The programmatic divisions for funding purposes are:

- ▶ **Administrative Services** - Recent changes have consolidated the listing of administrative divisions and functions. This program area provides leadership and management direction for the Department. It centralizes facilities, internal audit, risk management, purchasing, and mail services for the Department. The budgets for the following divisions are listed here: Executive Director's Office; Administrative Services; Finance Division; Human Resources; Information Technology; Adjudication Division; and Public Affairs.
- ▶ **Employment Development Division** - provides oversight and management of programs administered in the employment centers including employment placement programs, supportive services and several job training services including JTPA, Turning Point, and Single Head of Household Job Training.
- ▶ **Workforce Information and Payment Services Division** - Administers the Unemployment Insurance Program, the Office of Child Care, Rapid Response, and collects and reports employment, earning and job-related data. The phone-in eligibility service center will be funded here when it is fully operational.
- ▶ **Regional Administration** - Provides direction, oversight and coordination of all employment center services to the citizens of Utah.

The following programs are specified programs and funding sources from various federal agencies and the State:

- ▶ **Family Employment Program (FEP)** - Utah's implementation of the Temporary Assistance for Needy Families (TANF) program. TANF is a federally funded employment based approach toward financial assistance..
- ▶ **Unemployment Insurance Benefits** - Provides financial assistance to eligible individuals who are terminated from employment through no fault of their own.
- ▶ **Food Stamp Program** - Federally funded program to enable eligible individuals to receive funds for eligible food purchases.
- ▶ **Food Stamp Cash Out Program** - Federally funded program to enable eligible individuals to receive food stamps as cash instead of coupons.

- ▶ **Refugee Relocation** - Provides counseling, job preparation services, and financial assistance to refugees settling in Utah.
- ▶ **General Assistance** - A State funded program providing financial assistance to eligible single people and couples who do not qualify for the Temporary Assistance to Needy Families (TANF).
- ▶ **Child Care** - Promotes quality child care and subsidizes child care to qualifying individuals.
- ▶ **Job Training Partnership Act (JTPA)** - A federally funded program that assists unemployed adults and youth to receive training that will improve their employability.

Welfare Reform

Welfare reform is causing major changes at the federal level. Federal agencies including the Department of Health and Human Services and the Department of Labor are being asked to work together in ways not required in the past. This has a major impact on the way the Department does the business of employment and welfare reform in Utah. Utah has been successful at getting a number of waivers, enabling the Department to implement many of the State's own program tenets. The core goals of both federal and State welfare reform seem to be:

- 1) Reducing dependency;
- 2) Supporting children;
- 3) Controlling costs.

These goals are not always complementary. Utah has placed great emphasis on employment development and self-sufficiency. The challenges are implementing programs which will accomplish the goals within the budget parameters.

Utah's Economy

Utah's favorable economic climate has greatly contributed to the success of the programs over the last few years. Welfare caseloads have been decreasing and employment opportunities have increased significantly. Utah has surpassed every federal requirement to this point in terms of job creation, employment placement and caseload reduction.

Organizational and Budgetary Flexibility

The Analyst recommendations are intended to grant the Department maximum flexibility in efforts to acquire additional federal funding and to implement the most effective use of resources for the benefit of Utah's citizens. The Analyst recommends that the Department appropriation be continued as a single line item.

Performance Measures

The Department has begun to establish a series of activity and outcome based performance measures. A limited history is reported because some of the activities were previously performed by other departments. The Department is working to integrate quality activity and performance through every aspect of customer service. The last section (3.20) of this series of reports outlines the performance measures and strategy developed by the Department.

3.1 Programs: Department of Workforce Services - Administrative Services

Recommendation The Analyst recommends an Administration budget of \$28,812,200. This is approximately one fourth General Fund and two thirds Federal Funds. Changes are the result of budgetary reorganization and realignment of function and structure.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$16,033,600	\$7,449,900	\$7,364,200	(\$85,700)
Federal Funds	13,918,200	19,727,000	19,817,600	90,600
Dedicated Credits	130,500	130,500	130,500	0
Transfers	2,007,200	1,500,000	1,500,000	0
Beginning Nonlapsing	996,800	161,900		(161,900)
Closing Nonlapsing	(161,900)			0
Total	\$32,924,400	\$28,969,300	\$28,812,300	(\$157,000)
% Change		(12.0%)	(0.5%)	(104.6%)
Expenditures				
Personal Services	\$12,851,800	\$11,434,000	\$11,422,200	(\$11,800)
Travel	206,400	205,600	206,300	700
Current Expense	7,936,900	6,401,500	6,255,600	(145,900)
Data Processing	11,884,400	10,884,100	10,884,100	0
DP Capital	32,900	32,800	32,800	0
Capital Outlay	11,300	11,300	11,300	0
Pass-through	700			0
Total	\$32,924,400	\$28,969,300	\$28,812,300	(\$157,000)
% Change		(12.0%)	(0.5%)	
Standard FTE	215.10	216.00	216.00	0.00
Enhancement FTE				

Summary

Administrative Services provides leadership, coordination and administrative support to the programs throughout the Department. The Division includes centralized administrative functions such as facilities, internal auditing, risk management, purchasing and mail services. Savings have already been made in this area with the consolidation of the administrative functions of the numerous programs.

For reporting and organizational purposes, several administrative divisions have been listed under this program area, with their individual budget recommendation; are:

- 1) Executive Director's Office \$727,400
- 2) Administrative Services 3,520,700
- 3) Finance Division 2,590,200
- 4) Human Resources 703,800
- 5) Information Technology 19,291,200

6) Public Affairs	496,200
7) Adjudication Division	1,584,000

**Information
Technology**

The largest section in Administrative Services is the Information Technology Division. They are responsible for service to all programs and all offices around the State. Six major program systems are currently being managed. Streamlining intake forms and assuring all necessary information is collected are major requirements. The systems involved are:

- 1) Public Assistance Case Management Information System (PACMIS) - Determines eligibility and payments for financial assistance, Medicaid and food stamps;
- 2) Unified Social Service Delivery System (USSDS) - Combined system used by multiple agencies to track child care, HEAT and JOBS programs.
- 3) Unemployment Payment System (GUIDE) - Used for unemployment payments, adjudication decisions, over-payments, charge backs and accounting records.
- 4) Contributions Automated Tax System (CATS) - Collects and manages the unemployment taxes paid by employers. System will also gather wage information to be entered into a data base via scanners, tape, diskette, and modem transmission to a bulletin board.
- 5) New Hire Registry - Federal welfare reform requires states to implement a new hire registry to help locate those with delinquent child support obligations. This system is being developed with funds transferred from the Office of Recovery Services.
- 6) Job Training Partnership Act and job training performance tracking system - Collects and tracks information required for the JTPA eligibility and to meet federal reporting requirements.

**Transfer of
Employment Security
System**

The Department of Employment Security owned, operated and maintained their own system. When the new Department was discussed, it was not clear whether the Employment Security System would stay independent or be integrated. The State Administrative Services Division of Information Technology requested that the Employment Security System be put on the State's computer system. This has been done. The added volume has enabled the State Information Technology Services to offer a reduction in rates to all State Agencies using the system.

The Department of Workforce Services has had a rate reduction made as a result of this internal service fund adjustment. The base budget was reduced commensurately. Originally, the conversion cost the Department additional money. This was funded out of Maintenance of Effort savings from within the Department.

3.2 Program: Department of Workforce Services - Employment Development Division**Recommendation**

The Analyst recommends funding of \$4,129,900 for FY 2000. The funding mix is similar to the overall mix of General Fund and Federal Funds. A reduction was made in the area of Personal Services reflecting a portion of the transfer of funds for eligibility worker personnel to the Department of Health. The remaining portion of this transfer, which included an additional four FTE, is from Regional Operations.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$99,800	\$530,200	\$495,600	(\$34,600)
Federal Funds	4,889,600	3,768,300	3,514,300	(254,000)
Transfers	166,100	120,000	120,000	0
Total	\$5,155,500	\$4,418,500	\$4,129,900	(\$288,600)
% Change		(14.3%)	(6.5%)	
Expenditures				
Personal Services	\$2,265,100	\$2,147,200	\$2,169,700	\$22,500
Travel	92,200	92,100	92,100	0
Current Expense	1,863,100	1,862,900	1,863,200	300
Data Processing	100	100		(100)
Other/Pass-Through	935,000	316,200	4,900	(311,300)
Total	\$5,155,500	\$4,418,500	\$4,129,900	(\$288,600)
% Change		(14.3%)	0.0%	
Standard FTE	54.00	44.00	44.00	0.00

Summary

The Employment Development Division provides the program oversight and direction to the employment and support services offered in the Employment Centers. All case managers are now classified as “employment counselors”. The Department emphasis is employment and self-sufficiency.

The Division provides programmatic oversight of job training and employment development aspects. There is also some auditing responsibilities to assure federal compliance with the federal agency guidelines involved with the funds.

3.3 Programs: Department of Workforce Services - Workforce Information and Payment Services Division

Recommendation The Analyst recommendation of \$16,372,900 includes \$392,900 General Fund.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$103,900	\$328,900	\$392,900	\$64,000
Federal Funds	18,620,000	14,060,000	15,419,600	1,359,600
Dedicated Credits	560,400	560,400	560,400	0
Total	\$19,284,300	\$14,949,300	\$16,372,900	\$1,423,600
% Change		(22.5%)	9.5%	
Expenditures				
Personal Services	\$10,473,400	\$9,634,200	\$9,742,000	\$107,800
Travel	237,300	137,400	137,400	0
Current Expense	7,496,900	4,166,900	5,482,700	1,315,800
Data Processing	15,700	15,700	15,700	0
Other/Pass Through	1,061,000	995,100	995,100	0
Total	\$19,284,300	\$14,949,300	\$16,372,900	\$1,423,600
% Change		(22.5%)	9.5%	
Standard FTE	237.00	255.90	255.40	(.50)
Enhancement FTE				0.00

Summary

The Workforce Information and Payment Services Division includes the Workforce Information Services, Office of Child Care, Rapid Response and Unemployment Insurance payment programs.

The Division contracts with the Federal government to provide information and specific services to them.

The Office of Child Care is responsible for the promotion of available, affordable quality child care. Encouragement is given to business, government and other organizations to provide quality child care.

During FY 1998, the division took over administration of a pilot eligibility service center (ESC). The ESC operates as a centralized call-in center for financial assistance recipients. Fourteen FTE were transferred from the regions to the Division. The ESC is expected to expand during FY 1999 and handle all eligibility operations in the State.

3.4 Programs: Department of Workforce Services - Regional Administration

Recommendations Regional Operations is the single largest item in the budget. The various programs are integrated in an effort to provide “one-stop” shopping at the employment centers to the employment challenged individual or family. The Analyst recommends funding of \$66,059,700 for FY 2000.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$15,086,100	\$13,222,700	\$13,125,200	(\$97,500)
Federal Funds	43,468,200	49,583,000	48,430,400	(1,152,600)
Dedicated Credits	1,865,700	2,085,400	2,085,400	0
Transfers	3,143,700	2,418,700	2,418,700	0
Total	\$63,563,700	\$67,309,800	\$66,059,700	(\$1,250,100)
% Change		5.9%	(1.9%)	
Expenditures				
Personal Services	\$51,464,200	\$53,201,200	\$52,937,300	(\$263,900)
Travel	404,700	423,000	427,600	4,600
Current Expense	9,873,700	12,036,100	11,045,300	(990,800)
Data Processing	134,900	134,900	134,900	0
Capital Outlay	222,100	154,100	154,100	0
Pass-Through	1,464,100	1,360,500	1,360,500	0
Total	\$63,563,700	\$67,309,800	\$66,059,700	(\$1,250,100)
% Change		5.9%	(1.9%)	
Standard FTE	1,336.50	1,304.00	1,304.00	0.00

Summary

Through the Regional Operations, the Department of Workforce Services directly serves Utah individuals and families. The major part of the philosophy and focus is to create a single point of service for employment and assistance services. The Department is developing one-stop employment centers which combine access to the various programs previously offered by Employment Security, Turning Point, Office of Family Support, and Job Training. Support services are offered in an effort to assist citizens achieve self-sufficiency. This may include: financial assistance, food assistance, transportation assistance, child care, health benefits or clothing.

The State is divided into five service regions and eight planning districts. The Department started with 106 locations between the numerous agencies. The goal is to downsized to 48. They now have 54 locations. Several buildings are under renovation.

All Services Offered

The “one-stop” employment shops will deliver services of the Department to customers

in close proximity to the client and in a user friendly manner. Many of the services are offered through the various locations around the State. Some are now conveniently available over the telephone. Department employees are considered “employment counselors” rather than “case-workers” or social service employees.

Program Diversity

Because of the new philosophy in the Department, “employment counselors” are not just “case workers” with a new name. Employees are responsible for more decisions and more programs to assist the client to achieve self-sufficiency.

Food Stamp Employment Service Funding

The federal food stamp program has two significant parts. The main program is an entitlement program which is 100 percent federally funded. The Analyst is listing this separately to give the Committee an idea of workload and volume. The Food Stamp Employment Service / Fraud Program requires a State match on a one-for-one basis. This program enables the State to provide employment services to qualifying food stamp recipients that may be seeking employment or working. The Analyst recommends an ongoing increase of \$1,000,000 General Fund which will be matched with \$1,000,000 Federal Funds.

Food Stamp Employment Service	FY 2000
Ongoing Funding	Analyst
General Fund	\$1,000,000
Federal Funds	1,000,000
Total	\$2,000,000
Expenditures	
Current Expense	\$2,000,000
Total	\$2,000,000

Wagner-Peyser Federal Funding Reductions

Utah no longer qualifies as a “small state” according to federal guidelines. This has resulted in a reduction in the funding formula for the Wagner Peyser Grant. This program provides funding for the universal access to employment services offered in Utah’s one-stop employment centers. This is the key program for employment development and a major step toward self sufficiency. Workload tracking indicates that this is one of the most used and time consuming activity within the Department. However, funding from the federal government has been significantly reduced. The Analyst recommends replacing this reduction with \$400,000 ongoing General Fund.

Wagner Peyser	FY 2000
Ongoing Funding	Analyst
General Fund	<u>\$400,000</u>
Expenditures	
Other/Pass Through	<u>\$400,000</u>
Total	<u>\$400,000</u>

3.5 Programs: Department of Workforce Services - Temporary Assistance for Needy Families

Recommendation

The Analyst recommends a budget of \$55,778,400. The recommendation reflects a slight increase for the direct program funds. Additional Federal Funds are available and the Analyst recommends acquiring those funds and using them to augment the Child Care appropriation and to implement an increase in assistance payments.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$8,744,200	\$15,543,800	\$15,543,800	\$0
Federal Funds	41,813,300	37,491,400	40,234,600	2,743,200
Total	\$50,557,500	\$53,035,200	\$55,778,400	\$2,743,200
% Change		4.9%	5.2%	
Expenditures				
Current Expense	\$9,000	\$0	\$0	\$0
Other/Pass-Through	50,548,500	53,035,200	55,778,400	2,743,200
Total	\$50,557,500	\$53,035,200	\$55,778,400	\$2,743,200
% Change		4.9%	5.2%	

Summary

The Temporary Assistance For Needy Families (TANF) Program was created by Congress in 1997 to replace the Aid to Families with Dependent Children (AFDC). AFDC was an open ended entitlement program offering benefits to families as long as they met the eligibility criteria. TANF removes the entitlement character of AFDC and is an employment based approach to assistance. Everything in the program is intended to help people who need assistance to become self-sufficient through employment. Utah used TANF funds to operate the Family Employment Program (FEP). The Family Employment Program was refined by the 1997 Legislature in House Bill 269. The key principles of FEP / TANF are:

- 1) It is employment focused rather than benefit based;
- 2) There are specific limits on the time a person may receive benefits;
- 3) Participants work with only one counselor for both self-sufficiency and benefits; and
- 4) States are required to meet certain standards for the number of participants working.

Caseload

The caseload history for Aid to Families with Dependent Children, (predecessor to TANF) indicates it has been declining since 1984.

3.6 Programs: Department of Workforce Services - Food Stamp Cash Out Program

Recommendation The Analyst recommends a budget of \$22,608,300 Federal Funds for the Food Stamp Cash Out Program. This is based on projections of the amount of funds available to the Department and the need for those funds.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	\$21,312,500	\$22,165,000	\$22,608,300	\$443,300
Total	\$21,312,500	\$22,165,000	\$22,608,300	\$443,300
% Change		4.0%	2.0%	
Expenditures				
Pass-Through	21,312,500	\$22,165,000	\$22,608,300	\$443,300
Total	\$21,312,500	\$22,165,000	\$22,608,300	\$443,300
% Change		4.0%	2.0%	

Summary

The Food Stamp Cash Out Program enables the elderly, those on Supplemental Security Income and some other individuals to receive food stamps as cash rather than coupons. The program is fully funded by the federal government.

The program originally began to encourage elderly who qualified for the program to use it. It was expanded to include some individuals working toward self-sufficiency in order to enhance their money management skills.

3.7 Programs: Department of Workforce Services - Food Stamp Program

Recommendation The Analyst recommends a budget of \$53,000,000 Federal Funds for the Food Stamp Program. This is based on projections of the amount of funds available to the Department and the need for those funds.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	53,149,500	\$53,000,000	\$53,000,000	\$0
Total	\$53,149,500	\$53,000,000	\$53,000,000	\$0
% Change		(0.3%)	0.0%	
Expenditures				
Pass-Through	53,149,500	\$53,000,000	\$53,000,000	\$0
Total	\$53,149,500	\$53,000,000	\$53,000,000	\$0
% Change		(0.3%)	0.0%	

Summary

The Food Stamp Program provides funds for food to low and some qualifying moderate income individuals. The program is fully funded by the federal government. It requires considerable resources to manage, process and assure compliance with the requirements. The program is administered through the Regional Administration program area.

3.8 Programs: Department of Workforce Services - Refugee Relocation

Recommendation The Analyst recommends an appropriation of \$973,000. This is a federally funded pass-through program.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	\$947,500	\$909,500	\$973,000	\$63,500
Total	\$947,500	\$909,500	\$973,000	\$63,500
% Change		(4.0%)	7.0%	
Expenditures				
Pass-Through	\$947,500	\$909,500	\$973,000	\$63,500
Total	\$947,500	\$909,500	\$973,000	\$63,500
% Change		(4.0%)	7.0%	

Summary

The Refugee Relocation Program is a pass-through program providing assistance to individuals qualifying for refugee status. Payments are made to assist in their successful resettlement in Utah. Utah has administered the program since 1976.

An average of approximately 150 cases involving 175 individuals and families are assisted by the program each month.

3.9 Programs: Department of Workforce Services - General Assistance

Recommendation The Analyst recommendation for the General Assistance Program is for \$3,448,200 General Fund.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$4,235,000	\$3,434,400	\$3,434,400	\$0
Federal Funds	27,600	13,800	13,800	0
Total	\$4,262,600	\$3,448,200	\$3,448,200	\$0
		(19.1%)	0.0%	
Expenditures				
Current Expense	\$9,300	\$0	\$0	\$0
Other / Pass Through	4,253,300	3,448,200	3,448,200	0
Total	\$4,262,600	\$3,448,200	\$3,448,200	\$0
		(19.1%)	0.0%	

Summary

The General Assistance Program is a State funded program that provides financial assistance to single people and couples who do not qualify for the Temporary Aid to Needy Families Program. To be eligible for General Assistance, recipients must be unemployed and unable to work due to illness or physical or mental disability. People receiving General Assistance are required to register with Vocational Rehabilitation if their disability can be overcome. Some participate in the Work Experience and Training Program. People may be eligible for Federal Supplemental Security Income and are waiting for their eligibility to be determined are temporarily assisted through General Assistance.

The Federal Government reimburses the State for payments to those who become Supplemental Security Income eligible. There are approximately 1,175 people receiving General Assistance at the present time.

General Assistance Funding

The General Assistance Program is a fully State funded program for individuals or families without children. Many receive support through this program until they are processed for other programs such as Social Security. The caseload in this category has been increasing. The Analyst recommendation is for \$900,000 General Fund.

General Assistance Caseload	FY 2000
Ongoing Funding	Analyst
General Fund	\$900,000
Expenditures	
Other/Pass Through	\$900,000
Total	\$900,000

3.10 Programs: Department of Workforce Services - Unemployment Insurance Benefits

Recommendation The Analyst recommends a budget of \$81,000,000 Federal Funds for the Unemployment Insurance Benefit Program. This is based on projections of the amount of funds available to the Department and the need for those funds.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	\$76,946,500	\$81,000,000	\$81,000,000	\$0
Total	\$76,946,500	\$81,000,000	\$81,000,000	\$0
% Change		5.3%	0.0%	
Expenditures				
Pass-Through	\$76,946,500	\$81,000,000	\$81,000,000	\$0
Total	\$76,946,500	\$81,000,000	\$81,000,000	\$0
% Change		5.3%	0.0%	

Summary

The Unemployment Insurance Benefit Program is funded by employer contributions deposited with the federal government and returned to states for unemployment insurance benefits.

The Unemployment Insurance Benefit Program provides payments to workers unemployed through no fault of their own. Claimants must make an active search for work to be eligible for benefits. The program is administered by Workforce Information and Payment Services. Individuals apply for benefits through a newly implemented centralized telephone system.

3.11 Programs: Department of Workforce Services - Job Training Partnership Act - Client Services

Recommendation The Analyst recommends \$8,123,000 of Federal Funds for the Job Training Partnership Act-Client Services.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
Federal Funds	\$7,660,200	\$8,123,000	\$8,123,000	\$0
Total	\$7,660,200	\$8,123,000	\$8,123,000	\$0
% Change		6.0%	0.0%	
Expenditures				
Pass-Through	\$7,660,200	\$8,123,000	\$8,123,000	\$0
Total	\$7,660,200	\$8,123,000	\$8,123,000	\$0
% Change		6.0%	0.0%	

Summary

The Job Training Partnership Act Program prepares low income youth and adults, the long-term unemployed, and persons with other barriers, for jobs in private industry. JTPA emphasizes involving the private sector which leads in the design and implementation of job training programs.

Assistance is also provided to dislocated workers who have lost their jobs due to plant closure or permanent layoffs, and / or have little or no opportunities for obtaining work in similar or related occupations.

JTPA benefits program participants by assessing job skills, developing an employment plan, providing classroom or on-the-job training and assisting them in securing unsubsidized employment.

Performance standard are reported regularly to the federal government.

3.12 Programs: Department of Workforce Services - Child Care**Recommendation**

The Analyst recommends \$38,205,700 to fund Child Care. The recommendation is made to address estimated caseload in FY 2000. The recommendation maintains the current level of General Fund. The Legislature could consider the options below to address the growing needs in child care.

Financial Summary

	FY 1998	FY 1999	FY 2000	
Financing	Actual	Estimated	Analyst	Difference
General Fund	\$3,262,200	\$7,717,000	\$7,717,000	\$0
Federal Funds	27,474,300	30,488,700	30,488,700	0
Total	\$30,736,500	\$38,205,700	\$38,205,700	\$0
% Change		24.3%	0.0%	
Expenditures				
Pass-Through	\$30,736,500	\$38,205,700	\$38,205,700	\$0
Total	\$30,736,500	\$38,205,700	\$38,205,700	\$0
% Change		24.3%	0.0%	

Summary

The need for child care is a major barrier to employment, especially in single parent homes. Direct child care support payments are made in an effort to assist individuals and families to become more employable and ultimately self-sufficient.

The 1998 Legislature approved the Department to use Maintenance of Effort savings to increase the amount of funds obtained from the Federal government. General Fund shifted from other program areas accounts for the increase for FY 1999. This level is maintained in FY 2000. Options are available to increase General Fund or use TANF money to pay directly for child care.

Childcare Funding Options

The 1997 Legislature reduced the State portion of Childcare funding by \$4,000,000 for FY 1998. Caseload projections the previous year were overestimated. Though child care needs are not growing as rapidly as previously estimated, they are growing. In addition to the increasing caseloads, federal child care regulations require that market rates be paid to child care providers. Based on these two factors, additional funds are needed in FY 2000 for child care services. The Legislature has several options:

- 1) Provide additional State General Fund as a match for federal dollars. The match rate is approximately 2.8 federal dollars for every one State dollar. Up to \$1,500,000 State dollars can be matched with Federal Funds. The full match would generate approximately \$4.2 million federal dollars.
- 2) Use TANF funds for Child Care. TANF money can be used for child care. Funds are available, but would draw down the "rainy day" fund currently available.
- 3) Keep the funding level at status quo. No new money and no transfer of funds. This would require a reduction in the subsidy payment amount to service the growing number of qualified recipients.

3.19 Programs: Department of Workforce Services - Performance Measures

Summary

The Department has worked to consolidate activities from several State and federal organizations into one coherent program with the goal to improve services to the citizens of Utah. Individual program goals and objectives are being established to improve the quality and enhance the effectiveness of the programs offered. The following performance indicators were created by the Department with the intent to track and measure performance. These items were reported by the Department.

I. SERVICE TO JOB SEEKERS

- a. Percentage increase of an individual's wage after receiving service.
 - 1. Statewide, job seekers placed after receiving employment services from DWS during the third quarter of CY 1997 saw their income increase by 35 percent.
 - 2. Statewide, job seekers placed after receiving employment services from DWS during the fourth quarter of CY 1997 saw their income increase by 49 percent.
- b. Longevity of labor force attachment (job retention/job duration).
 - 1. Statewide, 54 percent of individuals placed in jobs during the third quarter of CY 1997 were still with the same employer four to six months later. 29 percent of the individuals were with the same employer seven to nine months later.
 - 2. Statewide, 57 percent of the individuals placed in jobs during the fourth quarter of CY 1997 were with the same employer four to six months later. 38 percent of the individuals were still with the same employer seven to nine months later.
- c. Customer survey **attained goal** of a 4.5 rating.
On a scale of 0-5, overall satisfaction with DWS customer services increased from 3.8 in 1997 to 4.1 in 1998.

II. SERVICE TO EMPLOYERS

- A. Market share -- percentage of job openings listed with DWS compared to total Utah job openings.
 - 1. In FY 1998, DWS took at least one job order form 16,697 different employers (or a market share rate of 28 percent). Through November FY 1999, DWS has taken orders from 9,836 employers and is on schedule to surpass last year's market share. Last year at this time, DWS had taken 27,274 job orders. This year, they have taken 30,312 job orders, an 11.14 percent increase.
- B. Percentage of job orders filled.
 - 1. Statewide, the percentage of orders filled has decreased from 47 percent in FY 1998 to 44 percent in FY 1999.
- C. Cycle time:
 - (a) receipt of job order to first referral
 - (b) receipt of job order to first referral hired
 - 1. In FY 1998, 48 percent of job orders had a 'same day' referral and 25

percent had a 'same/next day' customer service contact. For the first three months of FY 1999, 37 percent of the orders have had a 'same day' referral and 23 percent have had a 'same day/next day' customer service follow-up contact.

- D. Customer service **attained goal** of a 4.2 the first year and 4.5 the second year.
- 1. On a scale of 0 - 5, overall satisfaction with DWS employer services increased from a rating of 3.7 in 1997 to 4.02 in 1998.

4.0 Tables: Department of Workforce Services

Programs	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
Executive Director	Not Applicable	\$3,858,000	\$0	\$0	\$0
Administrative Services		7,775,100	32,924,400	28,969,300	28,812,300
Information Technology		11,297,200	0	0	0
Adjudication Division		1,756,100	0	0	0
Employment Dev. Division		5,222,600	5,155,500	4,418,500	4,129,900
Workforce Info & Payment Services Division		6,846,400	19,284,300	14,949,300	16,372,900
Regional Administration		1,939,000	0	0	0
Regional Administration		71,632,300	63,563,700	67,309,800	68,459,700
Temporary Assist. (TANF)		57,829,400	50,557,500	53,035,200	55,778,400
Food Stamp Cash Out		16,007,400	21,312,500	22,165,000	22,608,300
Food Stamp Program			53,149,500	53,000,000	53,000,000
Refugee Relocation		947,600	947,500	909,500	973,000
General Assistance		3,947,300	4,262,600	3,448,200	4,348,200
Unemployment Insurance			76,946,500	81,000,000	81,000,000
Supplemental Security Income		160,700	0	0	0
Work Toward Employment		365,500	0	0	0
JTPA Client Services			7,660,200	8,123,000	8,123,000
Child Care		29,411,900	30,736,500	38,205,700	38,205,700
Total		\$218,996,500	\$366,500,700	\$375,533,500	\$381,811,400
% Change		0.0%	67.4%	2.5%	1.7%

Financing	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
General Fund	Not Applicable	\$50,704,100	\$47,564,800	\$48,226,900	\$50,373,100
Federal Funds		165,325,400	310,227,400	320,329,700	324,623,300
Dedicated Credits		2,750,500	2,556,600	2,776,300	2,776,300
Transfers		544,100	5,317,000	4,038,700	4,038,700
Beginning Nonlapsing		669,200	996,800	161,900	0
Closing Nonlapsing		(996,800)	(161,900)	0	0
Total		\$0	\$218,996,500	\$375,533,500	\$381,811,400
% Change		0.0%	67.4%	2.5%	1.7%

Expenditures	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimated	FY 2000 Analyst
Personal Services	Not Applicable	\$62,023,200	\$77,054,500	\$76,416,600	\$76,271,200
Travel		737,500	940,600	858,100	863,400
Current Expense		20,699,200	27,188,900	24,467,400	26,646,800
Data Processing		9,389,800	12,035,100	11,034,800	11,034,700
DP Capital		14,600	32,900	32,800	32,800
Capital Outlay		61,700	233,400	165,400	165,400
Pass-Through		126,070,500	249,015,300	262,558,400	266,797,100
Total		\$218,996,500	\$366,500,700	\$375,533,500	\$381,811,400
% Change		0.0%	67.4%	2.5%	1.7%
Standard FTE		1,870.85	1,842.60	1,819.90	1,819.40